

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2014

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UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Unified School District No. 218
Elkhart, Kansas 67950

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 218, as of and for the fiscal year ended June 30, 2014 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

To the Board of Education
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Elkhart, Kansas 67950

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by Unified School District No. 218 to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 218 as of June 30, 2014, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 218 as of June 30, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds, schedule of regulatory basis receipts, expenditures, and unencumbered

To the Board of Education
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cash-district activity funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The schedule of expenditures of federal awards (Schedule 5 as listed in the table of contents) is presented for analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

The June 30, 2013 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the June 30, 2013 basic financial statement upon which we rendered an unmodified opinion dated October 3, 2013. The June 30, 2013 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such June 30, 2013 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2013 basic financial statement. The June 30, 2013 comparative information was subjected to the auditing procedures applied in the audit of the June 30, 2013 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the June 30, 2013 basic financial statement or to the June 30, 2013 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the June 30, 2013 comparative information is fairly stated in all material respects in relation to the June 30, 2013 basic financial statement as a whole, on the basis of accounting described in Note 1.

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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2014, on our consideration of Unified School District No. 218's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified School District No. 218's internal control over financial reporting and compliance.

Hay•Rice & Associates, Chartered

September 12, 2014

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education
Unified School District No. 218
Elkhart, Kansas 67950

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Unified School District No. 218, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statement, which comprise Unified School District No. 218's basic financial statement, and have issued our report thereon dated September 12, 2014, which was qualified because Unified School District No. 218 prepares its financial statements to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 218's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hay•Rice & Associates, Chartered

September 12, 2014

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 1

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
REGULATORY BASIS

For the fiscal year ended June 30, 2014

| <u>Funds</u> | <u>Beginning</u> <u>Unencumbered</u> <u>Cash Balance</u> | <u>Receipts</u> | <u>Expenditures</u> | <u>Ending</u> <u>Unencumbered</u> <u>Cash Balance</u> | <u>Add</u> <u>Encumbrances</u> <u>& Accounts</u> <u>Payable</u> | <u>Ending</u> <u>Cash</u> <u>Balance</u> |
|---|--|---------------------|---------------------|---|--|--|
| General Funds: | | | | | | |
| General | \$ - | \$ 6,414,283 | \$ 6,414,283 | \$ - | \$ 7,737 | \$ 7,737 |
| Supplemental General | 297,196 | 2,632,163 | 2,235,387 | 693,972 | 1,683 | 695,655 |
| Special Purpose Funds: | | | | | | |
| At Risk (4 Year Old) | - | 57,846 | 57,814 | 32 | - | 32 |
| At Risk (K-12) | - | 530,028 | 530,028 | - | - | - |
| Bilingual Education | - | 117,443 | 117,443 | - | 1,163 | 1,163 |
| Virtual Education | - | 3,029,582 | 3,029,582 | - | - | - |
| Capital Outlay | 1,293,052 | 320,659 | 751,954 | 861,757 | 127,433 | 989,190 |
| Driver Training | 20,020 | 5,919 | 5,729 | 20,210 | - | 20,210 |
| Extraordinary School Program | 26,416 | 1,060 | - | 27,476 | - | 27,476 |
| Food Service | 66,315 | 280,735 | 277,640 | 69,410 | - | 69,410 |
| Parent Education | 32,411 | 49,117 | 48,043 | 33,485 | - | 33,485 |
| Special Education | 149,347 | 458,582 | 433,533 | 174,396 | - | 174,396 |
| Vocational Education | - | 147,900 | 147,900 | - | - | - |
| KPERs Retirement Contribution | - | 429,886 | 429,886 | - | - | - |
| Bond and Interest | 204,599 | 135 | - | 204,734 | - | 204,734 |
| Recreation Commission | 5,349 | 222,328 | 192,900 | 34,777 | - | 34,777 |
| Gifts and Grants | 28,959 | 47,526 | 22,477 | 54,008 | - | 54,008 |
| Contingency Reserve | 587,185 | - | - | 587,185 | - | 587,185 |
| Rural Ed | - | 32,400 | 32,400 | - | - | - |
| Title I Low Income | - | 116,725 | 116,725 | - | - | - |
| Title I Migrant | - | 60,000 | 60,000 | - | 527 | 527 |
| Title I Even Start | - | 52,000 | 52,000 | - | 200 | 200 |
| Title II Improving Teacher Quality | - | 21,112 | 21,112 | - | - | - |
| Youth Friends | 4,302 | - | - | 4,302 | - | 4,302 |
| CCLC Grant | (7,258) | 100,449 | 93,191 | - | 3,066 | 3,066 |
| Migrant Summer Services Grant | (692) | 9,875 | 15,395 | (6,212) | - | (6,212) |
| District Activities | <u>67,189</u> | <u>155,446</u> | <u>150,489</u> | <u>72,146</u> | <u>70</u> | <u>72,216</u> |
| Total Reporting Entity (Excluding Agency Funds) | <u>\$2,774,390</u> | <u>\$15,293,199</u> | <u>\$15,235,911</u> | <u>\$2,831,678</u> | <u>\$141,879</u> | <u>\$2,973,557</u> |

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Statement 1
(Continued)

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH – REGULATORY BASIS
For the fiscal year ended June 30, 2014

| | |
|---|--------------------|
| Composition of Cash: | |
| Cash in Checking: | |
| Board account | \$2,901,341 |
| Activity Funds: | |
| Elementary School | 6,578 |
| Middle School | 6,610 |
| High School | <u>122,621</u> |
| Total Cash | \$3,037,150 |
| Agency Funds per Schedule 3 | <u>(63,593)</u> |
| Total Reporting Entity (Excluding Agency Funds) | <u>\$2,973,557</u> |

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

Note 1: Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 218 is a municipal corporation governed by an elected seven-member board. This regulatory financial statement presents only Unified School District No. 218 (the municipality). The following related municipal entity is not included in the Unified School District No. 218's reporting entity:

Recreation Commission

Unified School District No. 218 Recreation Commission oversees recreational activities. The Recreation Commission operates as a separate governing body but Unified School District No. 218 levies the taxes for the Recreation Commission and the Recreation Commission has only the powers granted by statute, K.S.A. 12-1928. The Recreation Commission cannot purchase real property but can acquire real property by gift.

Fund Descriptions

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Regulatory Basis Fund Types

The following regulatory basis fund types comprise the financial activities of the School District for the fiscal year ended June 30, 2014:

Governmental Funds:

General Fund – The Chief Operating Fund – used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Governmental Funds (Continued):

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Fiduciary Funds:

Agency Funds – funds used to report assets held by the municipal reporting entity in a purely custodial capacity.

Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America. General capital assets that account for the land, buildings and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes and compensated absences are not presented in the financial statements.

Other Accounting Policies

Cash and Time Deposits

These liquid assets are shown in aggregate. K.S.A. 12-1671 and 12-1672 allow these assets to be shown in aggregate.

Time deposits are carried at cost plus accrued interest. The carrying amount of deposits is separately displayed as "cash and time deposits".

General Fixed Assets

General fixed assets purchased are recorded as expenditures at the time of purchase, except for assets acquired with federally assisted funds. Assets of the School District are not recorded in a permanent set of records.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014
(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Vouchers Payable

Vouchers payable are classified on the basis of a claim for payment resulting from legal title to property.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds.

In addition, encumbrances do constitute expenditures of a fund.

Unencumbered Cash Balances

The unencumbered cash balance is the unobligated resources of cash and time deposits of a fund.

Bonds Payable

Bonds which are outstanding at the end of the fiscal year.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding fiscal year ending June 30 on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this fiscal year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and certain special purpose funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Tax Cycle

The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payments.

These taxes become a lien against all property on November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 18% per annum. This interest is retained by the County.

Taxes levied to finance the budget are made available to the School District after January 1st and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

Note 2: Stewardship, Compliance and Accountability

Compliance with Kansas Statutes

No noncompliance with Kansas Statutes noted.

Authorized Over-Encumbered Cash Balance – Federal Funds

K.S.A. 12-1664 authorizes the financing from local sources for expenditures to be reimbursed by the federal government.

Note 3: Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by Unified School District No. 218. The statute requires banks eligible to hold the School District's funds have a main or branch bank in the county in which Unified School District No. 218 is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. Unified School District No. 218 has no other policies that would further limit interest rate risk.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

(Continued)

Note 3: Deposits and Investments (Continued)

K.S.A. 12-1675 limits Unified School District No. 218's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. Unified School District No. 218 has no investment policy that would further limit its investment choices.

Concentration of Credit Risk – State statutes place no limit on the amount Unified School District No. 218 may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, Unified School District No. 218's deposits may not be returned to it. State statutes require Unified School District No. 218's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2014.

At June 30, 2014, Unified School District No. 218's carrying amount of deposits was \$3,037,150 and the bank balance was \$3,650,973. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance and \$3,150,973 was collateralized with securities held by the pledging financial institutions' agents in Unified School District No. 218's name.

Custodial Credit Risk – Investments – For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, Unified School District No. 218 will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

(Continued)

Note 4: Interfund Transfers

Operating transfers were as follows:

| <u>From</u> | <u>To</u> | <u>Regulatory Authority</u> | <u>Amount</u> |
|----------------------|----------------------|---------------------------------|--------------------|
| General Fund | Special Education | KSA 72-6428 | \$ 292,176 |
| | Virtual Education | KSA 72-6428 | <u>2,643,998</u> |
| | | | <u>\$2,936,174</u> |
| Supplemental General | Bilingual | KSA 72-6433 | \$ 117,443 |
| | Vocational Education | KSA 72-6433 | 147,900 |
| | Virtual Education | KSA 72-6433 | 385,584 |
| | At-Risk (4 Yr Old) | KSA 72-6433 | 57,846 |
| | At-Risk (K-12) | KSA 72-6433 | 530,028 |
| | Special Education | KSA 72-6433 | 156,575 |
| | Food Service | KSA 72-6433 | 54,426 |
| | PAT | KSA 72-6433 | <u>20,000</u> |
| | | | <u>\$1,469,802</u> |
| | Total | | <u>\$4,405,976</u> |

Note 5: Defined Benefit Pension Plan

Plan Description

Unified School District No. 218 participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

(Continued)

Note 5: Defined Benefit Pension Plan (Continued)

Funding Policy

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Effective January 1, 2014, the KPERS member-employee contribution rate changed to 5% of covered salary for Tier 1 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the statutory required employers share. The State of Kansas contributes 11.12% of covered payroll for the period of July 1, 2013 to June 30, 2014. The State of Kansas contribution to KPERS for all school municipalities for the year ending June 30, 2014 received as of June 30 was \$361,575,393.

Note 6: Other Long-Term Obligations from Operations

Compensated Absences

Vacation and Sick Pay

Staff may accumulate up to sixty days of sick leave, ten days of vacation and three days of personal leave. There is no compensation for unused vacation or personal days above the accrued amount. Employees are paid \$25 per day (certified employee) or \$15 (classified employee) for unused sick days above the accrual amount. There is no compensation for any unused days upon end of employment. The School District does not accrue compensated absences. These costs are expensed as paid.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

(Continued)

Note 6: Other Long-Term Obligations from Operations (Continued)

Other Post Employment Benefits

As provided by K.S.A. 12-5040, Unified School District No. 218 allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, Unified School District No. 218 is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), Unified School District No. 218 makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Note 7: Contingent Liabilities

Unified School District No. 218 participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by grantors or their representatives for audits of these programs for or including the year ending June 30, 2014. These compliance audits have not been conducted as of September 12, 2014. Accordingly, the School District's compliance with applicable grant agreements will be established at some future date. The amount of expenditures, which may be disallowed by the grantor agencies, cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial.

Note 8: Related Parties

Unified School District No. 218 purchased insurance from a related party during the fiscal year ended June 30, 2014. Expenditures recorded in the financial statement for the current fiscal year ended are \$146,857.

Note 9: Subsequent Events

Unified School District No. 218's management has evaluated events and transactions through September 12, 2014, the date which the financial statement was available to be issued.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 1

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET

REGULATORY BASIS

For the fiscal year ended June 30, 2014

| <u>Funds</u> | <u>Certified Budget</u> | <u>Adjustment to Comply with Legal Max</u> | <u>Adjustment for Qualifying Budget Credits</u> | <u>Total Budget for Comparison</u> | <u>Expenditures Chargeable to Current Year</u> | <u>Variance Over (Under)</u> |
|-------------------------------|-----------------------------|--|---|--|--|--------------------------------------|
| General Funds: | | | | | | |
| General | \$6,832,791 | \$ (430,239) | \$ 11,731 | \$6,414,283 | \$6,414,283 | \$ - |
| Supplemental General | 2,372,747 | (138,177) | 817 | 2,235,387 | 2,235,387 | - |
| Special Purpose Funds: | | | | | | |
| At Risk (4 Year Old) | 58,799 | - | - | 58,799 | 57,814 | 985 |
| At Risk (K-12) | 607,172 | - | - | 607,172 | 530,028 | 77,144 |
| Bilingual Education | 118,594 | - | - | 118,594 | 117,443 | 1,151 |
| Virtual Education | 3,342,988 | - | - | 3,342,988 | 3,029,582 | 313,406 |
| Capital Outlay | 1,580,100 | - | - | 1,580,100 | 751,954 | 828,146 |
| Driver Training | 26,469 | - | - | 26,469 | 5,729 | 20,740 |
| Extraordinary School Program | 26,417 | - | - | 26,417 | - | 26,417 |
| Food Service | 343,354 | - | - | 343,354 | 277,640 | 65,714 |
| Parent Education | 61,528 | - | - | 61,528 | 48,043 | 13,485 |
| Special Education | 818,104 | - | - | 818,104 | 433,533 | 384,571 |
| Vocational Education | 147,900 | - | - | 147,900 | 147,900 | - |
| KPERS Retirement Contribution | 449,575 | - | - | 449,575 | 429,886 | 19,689 |
| Recreation Commission | 192,900 | - | - | 192,900 | 192,900 | - |
| Gifts & Grants | 48,261 | - | - | 48,261 | 22,477 | 25,784 |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2

SCHEDULES OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the fiscal year ended June 30, 2014

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-1

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|---|---------------------|--------------------|---------------------|--------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Over</u> | <u>Year</u> |
| <u>Receipts</u> | | | <u>(Under)</u> | <u>Actual</u> |
| Taxes and Shared Receipts: | | | | |
| Ad valorem property tax | \$1,383,598 | \$1,208,848 | \$ 174,750 | \$1,243,254 |
| Delinquent tax | 13,764 | 2,511 | 11,253 | 6,220 |
| Mineral production tax | 71,252 | 70,594 | 658 | 67,078 |
| General state aid | 4,658,166 | 5,227,115 | (568,949) | 4,411,622 |
| Special Education aid | 275,772 | 323,723 | (47,951) | 300,555 |
| Reimbursed expenditures | <u>11,731</u> | <u>-</u> | <u>11,731</u> | <u>58,452</u> |
| Total Receipts | <u>\$6,414,283</u> | <u>\$6,832,791</u> | <u>\$ (418,508)</u> | <u>\$6,087,181</u> |
| <u>Expenditures</u> | | | | |
| Instruction | \$2,203,504 | \$2,070,042 | \$ (133,462) | \$2,271,194 |
| Student support services | 65,019 | 66,335 | 1,316 | 64,781 |
| General Administration | 212,878 | 238,035 | 25,157 | 235,621 |
| School Administration | 385,803 | 416,399 | 30,596 | 406,930 |
| Central Services | 26,450 | - | (26,450) | 28,301 |
| Operations and maintenance | 475,881 | 442,900 | (32,981) | 475,277 |
| Other support services | 2,251 | 6,300 | 4,049 | 1,325 |
| Student activities | 106,323 | 142,900 | 36,577 | 114,806 |
| Operating transfers | 2,936,174 | 3,449,880 | 513,706 | 2,488,946 |
| Adjustment to comply with legal max | - | (430,239) | (430,239) | - |
| Adjustment for qualifying budget credits | <u>-</u> | <u>11,731</u> | <u>11,731</u> | <u>-</u> |
| Total Expenditures | <u>\$6,414,283</u> | <u>\$6,414,283</u> | <u>-</u> | <u>\$6,087,181</u> |
| Receipts Over (Under) Expenditures | - | | | - |
| Unencumbered Cash, Beginning | <u>-</u> | | | <u>-</u> |
| Unencumbered Cash, Ending | <u>-</u> | | | <u>-</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-2

SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|--|---------------------|--------------------|-------------------|--------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Over</u> | <u>Year</u> |
| <u>Receipts</u> | | | <u>(Under)</u> | <u>Actual</u> |
| Taxes and Shared Receipts: | | | | |
| Ad valorem property tax | \$1,839,820 | \$1,568,231 | \$ 271,589 | \$1,707,923 |
| Delinquent tax | 19,148 | 3,478 | 15,670 | 7,657 |
| Motor vehicle tax | 50,463 | 52,393 | (1,930) | 62,502 |
| Recreational vehicle tax | 1,221 | 1,315 | (94) | - |
| In lieu of tax | 5,155 | - | 5,155 | 2,193 |
| Supplemental State aid | 715,539 | 450,135 | 265,404 | 590,202 |
| Reimbursed expenditures | 817 | - | 817 | 22,587 |
| Total Receipts | <u>\$2,632,163</u> | <u>\$2,075,552</u> | <u>\$ 556,611</u> | <u>\$2,393,064</u> |
| <u>Expenditures</u> | | | | |
| Instruction | \$ 132,933 | \$ 194,719 | \$ 61,786 | \$ 296,870 |
| Student support services | 2,765 | 16,300 | 13,535 | 11,695 |
| Instructional support staff | 59,357 | 31,375 | (27,982) | 40,155 |
| General Administration | 58,738 | 94,900 | 36,162 | 62,254 |
| School Administration | 19,205 | 26,200 | 6,995 | 107,358 |
| Operations and maintenance | 440,821 | 362,623 | (78,198) | 364,949 |
| Student transportation | 51,062 | 76,300 | 25,238 | 39,423 |
| Other support services | 704 | 6,000 | 5,296 | 1,412 |
| Operating transfers | 1,469,802 | 1,564,330 | 94,528 | 1,200,584 |
| Adjustment to comply with legal max | - | (138,177) | (138,177) | - |
| Adjustment for qualifying budget credits | - | 817 | 817 | - |
| Total Expenditures | <u>\$2,235,387</u> | <u>\$2,235,387</u> | <u>-</u> | <u>\$2,124,700</u> |
| Receipts Over (Under) Expenditures | \$ 396,776 | | | \$ 268,364 |
| Unencumbered Cash, Beginning | <u>297,196</u> | | | <u>28,832</u> |
| Unencumbered Cash, Ending | <u>\$ 693,972</u> | | | <u>\$ 297,196</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-3

AT RISK (4 YEAR OLD) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>Current Year</u> | | | <u>Prior</u> |
|------------------------------------|---------------------|------------------|--|------------------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> <u>Over</u> <u>(Under)</u> | <u>Year</u> <u>Actual</u> |
| <u>Receipts</u> | | | | |
| Operating transfers | \$ 57,846 | \$ <u>58,799</u> | \$ <u>(953)</u> | \$ 53,935 |
| <u>Expenditures</u> | | | | |
| Instruction | <u>57,814</u> | \$ <u>58,799</u> | \$ <u>985</u> | <u>53,935</u> |
| Receipts Over (Under) Expenditures | \$ 32 | | | - |
| Unencumbered Cash, Beginning | <u>-</u> | | | <u>-</u> |
| Unencumbered Cash, Ending | \$ <u>32</u> | | | <u>-</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-4

AT RISK (K-12) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS
For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>Current Year</u> | | | <u>Prior</u> |
|------------------------------------|---------------------|------------------|--|------------------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> <u>Over</u> <u>(Under)</u> | <u>Year</u> <u>Actual</u> |
| <u>Receipts</u> | | | | |
| Operating transfers | \$530,028 | <u>\$607,172</u> | \$ <u>(77,144)</u> | \$585,679 |
| <u>Expenditures</u> | | | | |
| Instruction | <u>530,028</u> | <u>\$607,172</u> | \$ <u>77,144</u> | <u>585,679</u> |
| Receipts Over (Under) Expenditures | - | | | - |
| Unencumbered Cash, Beginning | <u>-</u> | | | <u>-</u> |
| Unencumbered Cash, Ending | <u>-</u> | | | <u>-</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-5

BILINGUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|------------------------------------|---------------------|------------------|-------------------|----------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Over</u> | <u>Year</u> |
| | | | <u>(Under)</u> | <u>Actual</u> |
| <u>Receipts</u> | | | | |
| Operating transfers | \$117,443 | <u>\$118,594</u> | \$ <u>(1,151)</u> | \$114,372 |
| <u>Expenditures</u> | | | | |
| Instruction | <u>117,443</u> | <u>\$118,594</u> | \$ <u>1,151</u> | <u>114,372</u> |
| Receipts Over (Under) Expenditures | - | | | - |
| Unencumbered Cash, Beginning | <u>-</u> | | | <u>-</u> |
| Unencumbered Cash, Ending | <u>-</u> | | | <u>-</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-6

VIRTUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|------------------------------------|---------------------|---------------------|---------------------|------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Over</u> | <u>Year</u> |
| <u>Receipts</u> | | | <u>(Under)</u> | <u>Actual</u> |
| Operating transfers | \$3,029,582 | \$ <u>3,342,988</u> | \$ <u>(313,406)</u> | \$2,408,625 |
| <u>Expenditures</u> | | | | |
| Administration | <u>3,029,582</u> | \$ <u>3,342,988</u> | \$ <u>313,406</u> | <u>2,408,625</u> |
| Receipts Over (Under) Expenditures | - | | | - |
| Unencumbered Cash, Beginning | <u>-</u> | | | <u>-</u> |
| Unencumbered Cash, Ending | <u>-</u> | | | <u>-</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-7

CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>Current Year</u> | | | <u>Prior</u> |
|------------------------------------|---------------------|---------------------|--|------------------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> <u>Over</u> <u>(Under)</u> | <u>Year</u> <u>Actual</u> |
| <u>Receipts</u> | | | | |
| Taxes and Shared Receipts: | | | | |
| Ad valorem property tax | \$ 283,676 | \$ 251,983 | \$ 31,693 | \$ 255,270 |
| Delinquent tax | 3,176 | 520 | 2,656 | 1,605 |
| Motor vehicle tax | 8,806 | 9,506 | (700) | 12,001 |
| Recreational vehicle tax | 212 | 238 | (26) | 292 |
| In lieu of tax | 890 | - | 890 | 2,610 |
| Interest income | 3,691 | 4,800 | (1,109) | 4,801 |
| Miscellaneous | <u>20,208</u> | <u>20,000</u> | <u>208</u> | <u>30,272</u> |
| Total Receipts | \$ <u>320,659</u> | \$ <u>287,047</u> | \$ <u>33,612</u> | \$ <u>306,851</u> |
| <u>Expenditures</u> | | | | |
| Instruction | \$ 25,708 | \$ 103,000 | \$ 77,292 | \$ 94,773 |
| Operations and maintenance | 143,256 | 150,000 | 6,744 | 148,575 |
| Transportation services | - | 200,000 | 200,000 | - |
| Other support services | 110,279 | 150,000 | 39,721 | 149,937 |
| Land and building improvement | <u>472,711</u> | <u>977,100</u> | <u>504,389</u> | <u>195,362</u> |
| Total Expenditures | \$ <u>751,954</u> | \$ <u>1,580,100</u> | \$ <u>828,146</u> | \$ <u>588,647</u> |
| Receipts Over (Under) Expenditures | \$ (431,295) | | | \$ (281,796) |
| Unencumbered Cash, Beginning | <u>1,293,052</u> | | | <u>1,574,848</u> |
| Unencumbered Cash, Ending | \$ <u>861,757</u> | | | \$ <u>1,293,052</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-8

DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>Current Year</u> | | | <u>Prior</u> |
|------------------------------------|---------------------|------------------|--|------------------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> <u>Over</u> <u>(Under)</u> | <u>Year</u> <u>Actual</u> |
| <u>Receipts</u> | | | | |
| State aid | \$ 3,315 | \$ 3,450 | \$ (135) | \$ 6,348 |
| Miscellaneous | <u>2,604</u> | <u>3,000</u> | <u>(396)</u> | <u>-</u> |
| Total Receipts | <u>\$ 5,919</u> | <u>\$ 6,450</u> | <u>\$ (531)</u> | <u>\$ 6,348</u> |
| <u>Expenditures</u> | | | | |
| Instruction | \$ 5,046 | \$ 16,469 | \$ 11,423 | \$ 5,301 |
| Operations and maintenance | - | 10,000 | 10,000 | - |
| Vehicle operations and maintenance | <u>683</u> | <u>-</u> | <u>(683)</u> | <u>327</u> |
| Total Expenditures | <u>\$ 5,729</u> | <u>\$ 26,469</u> | <u>\$ 20,740</u> | <u>\$ 5,628</u> |
| Receipts Over (Under) Expenditures | \$ 190 | | | \$ 720 |
| Unencumbered Cash, Beginning | <u>20,020</u> | | | <u>19,300</u> |
| Unencumbered Cash, Ending | <u>\$ 20,210</u> | | | <u>\$ 20,020</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-9

EXTRAORDINARY SCHOOL PROGRAM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>Current Year</u> | | | <u>Prior</u> |
|------------------------------------|---------------------|------------------|--|------------------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> <u>Over</u> <u>(Under)</u> | <u>Year</u> <u>Actual</u> |
| <u>Receipts</u> | | | | |
| Miscellaneous | \$ 1,060 | <u>-</u> | \$ <u>1,060</u> | \$ 1,760 |
| <u>Expenditures</u> | | | | |
| Instruction | <u>-</u> | \$ <u>26,417</u> | \$ <u>26,417</u> | <u>408</u> |
| Receipts Over (Under) Expenditures | \$ 1,060 | | | \$ 1,352 |
| Unencumbered Cash, Beginning | <u>26,416</u> | | | <u>25,064</u> |
| Unencumbered Cash, Ending | \$ <u>27,476</u> | | | \$ <u>26,416</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-10

FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|------------------------------------|---------------------|------------------|------------------|------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Over</u> | <u>Year</u> |
| | | | <u>(Under)</u> | <u>Actual</u> |
| <u>Receipts</u> | | | | |
| Charges for services | \$ 72,282 | \$ 67,501 | \$ 4,781 | \$ 69,020 |
| Federal aid | 151,700 | 132,575 | 19,125 | 146,853 |
| State aid | 2,327 | 1,963 | 364 | 2,274 |
| Operating transfers | <u>54,426</u> | <u>75,000</u> | <u>(20,574)</u> | <u>49,627</u> |
| Total Receipts | <u>\$280,735</u> | <u>\$277,039</u> | <u>\$ 3,696</u> | <u>\$267,774</u> |
| <u>Expenditures</u> | | | | |
| Instruction | \$ 615 | \$ - | \$ (615) | \$ 365 |
| Operations and maintenance | 4,529 | 5,800 | 1,271 | 3,356 |
| Food service operation | <u>272,496</u> | <u>337,554</u> | <u>65,058</u> | <u>261,541</u> |
| Total Expenditures | <u>\$277,640</u> | <u>\$343,354</u> | <u>\$ 65,714</u> | <u>\$265,262</u> |
| Receipts Over (Under) Expenditures | \$ 3,095 | | | \$ 2,512 |
| Unencumbered Cash, Beginning | <u>66,315</u> | | | <u>63,803</u> |
| Unencumbered Cash, Ending | <u>\$ 69,410</u> | | | <u>\$ 66,315</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-11

PARENT EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>Current Year</u> | | | <u>Prior</u> |
|------------------------------------|---------------------|------------------|--|------------------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> <u>Over</u> <u>(Under)</u> | <u>Year</u> <u>Actual</u> |
| <u>Receipts</u> | | | | |
| State aid | \$ 29,117 | \$ 29,117 | \$ - | \$ 29,117 |
| Operating transfers | <u>20,000</u> | <u>-</u> | <u>20,000</u> | <u>-</u> |
| Total Receipts | <u>\$ 49,117</u> | <u>\$ 29,117</u> | <u>\$ 20,000</u> | <u>\$ 29,117</u> |
| <u>Expenditures</u> | | | | |
| Support services student | \$ 45,817 | \$ 58,001 | \$ 12,184 | \$ 48,033 |
| Instructional support staff | <u>2,226</u> | <u>3,527</u> | <u>1,301</u> | <u>10</u> |
| Total Expenditures | <u>\$ 48,043</u> | <u>\$ 61,528</u> | <u>\$ 13,485</u> | <u>\$ 48,043</u> |
| Receipts Over (Under) Expenditures | \$ 1,074 | | | \$ (18,926) |
| Unencumbered Cash, Beginning | <u>32,411</u> | | | <u>51,337</u> |
| Unencumbered Cash, Ending | <u>\$ 33,485</u> | | | <u>\$ 32,411</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-12

SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|------------------------------------|---------------------|------------------|---------------------|------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Over</u> | <u>Year</u> |
| | | | <u>(Under)</u> | <u>Actual</u> |
| <u>Receipts</u> | | | | |
| Miscellaneous | \$ 9,831 | \$ 5,000 | \$ 4,831 | \$ 4,944 |
| Operating transfers | <u>448,751</u> | <u>663,757</u> | <u>(215,006)</u> | <u>329,566</u> |
| Total Receipts | <u>\$458,582</u> | <u>\$668,757</u> | <u>\$ (210,175)</u> | <u>\$334,510</u> |
| <u>Expenditures</u> | | | | |
| Instruction | \$428,348 | \$463,757 | \$ 35,409 | \$420,288 |
| Student support services | 945 | 343,892 | 342,947 | - |
| General Administration | 115 | 200 | 85 | 435 |
| Vehicle operating services | <u>4,125</u> | <u>10,255</u> | <u>6,130</u> | <u>4,206</u> |
| Total Expenditures | <u>\$433,533</u> | <u>\$818,104</u> | <u>\$ 384,571</u> | <u>\$424,929</u> |
| Receipts Over (Under) Expenditures | \$ 25,049 | | | \$ (90,419) |
| Unencumbered Cash, Beginning | <u>149,347</u> | | | <u>239,766</u> |
| Unencumbered Cash, Ending | <u>\$174,396</u> | | | <u>\$149,347</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-13

VOCATIONAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|------------------------------------|---------------------|------------------|-----------------|----------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Over</u> | <u>Year</u> |
| | | | <u>(Under)</u> | <u>Actual</u> |
| <u>Receipts</u> | | | | |
| Operating transfers | \$147,900 | <u>\$147,900</u> | <u>-</u> | \$147,727 |
| <u>Expenditures</u> | | | | |
| Instruction | <u>147,900</u> | <u>\$147,900</u> | <u>-</u> | <u>147,727</u> |
| Receipts Over (Under) Expenditures | - | | | - |
| Unencumbered Cash, Beginning | <u>-</u> | | | <u>-</u> |
| Unencumbered Cash, Ending | <u>-</u> | | | <u>-</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-14

KPERS RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>Current Year</u> | | | <u>Prior</u> |
|------------------------------------|---------------------|------------------|--|------------------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> <u>Over</u> <u>(Under)</u> | <u>Year</u> <u>Actual</u> |
| <u>Receipts</u> | | | | |
| State revenue | \$429,886 | <u>\$449,575</u> | \$ <u>(19,689)</u> | \$377,794 |
| <u>Expenditures</u> | | | | |
| Employees' Benefits | <u>429,886</u> | <u>\$449,575</u> | \$ <u>19,689</u> | <u>377,794</u> |
| Receipts Over (Under) Expenditures | - | | | - |
| Unencumbered Cash, Beginning | <u>-</u> | | | <u>-</u> |
| Unencumbered Cash, Ending | <u>-</u> | | | <u>-</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-15

BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>Current Year</u> | | | <u>Prior</u> |
|------------------------------------|---------------------|---------------|--|------------------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> <u>Over</u> <u>(Under)</u> | <u>Year</u> <u>Actual</u> |
| <u>Receipts</u> | | | | |
| Taxes and Shared Receipts: | | | | |
| Delinquent taxes | \$ 135 | <u>-</u> | \$ <u>135</u> | \$ 34 |
| <u>Expenditures</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Receipts Over (Under) Expenditures | \$ 135 | | | \$ 34 |
| Unencumbered Cash, Beginning | <u>204,599</u> | | | <u>204,565</u> |
| Unencumbered Cash, Ending | <u>\$204,734</u> | | | <u>\$204,599</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-16

RECREATION COMMISSION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>Current Year</u> | | <u>Variance</u> | <u>Prior</u> |
|------------------------------------|---------------------|------------------|------------------|-----------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Over</u> | <u>Year</u> |
| | | | <u>(Under)</u> | <u>Actual</u> |
| <u>Receipts</u> | | | | |
| Taxes and Shared Receipts: | | | | |
| Ad valorem property tax | \$212,791 | \$188,970 | \$ 23,821 | \$191,442 |
| Delinquent taxes | 2,247 | 390 | 1,857 | 1,050 |
| Motor vehicle tax | 6,480 | 6,969 | (489) | 6,969 |
| RV tax | 156 | 175 | (19) | - |
| In lieu of tax | <u>654</u> | <u>-</u> | <u>654</u> | <u>316</u> |
| Total Receipts | \$222,328 | <u>\$196,504</u> | <u>\$ 25,824</u> | \$199,777 |
| <u>Expenditures</u> | | | | |
| Appropriation | <u>192,900</u> | <u>\$192,900</u> | <u>-</u> | <u>197,000</u> |
| Receipts Over (Under) Expenditures | \$ 29,428 | | | \$ 2,777 |
| Unencumbered Cash, Beginning | <u>5,349</u> | | | <u>2,572</u> |
| Unencumbered Cash, Ending | <u>\$ 34,777</u> | | | <u>\$ 5,349</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-17

GIFTS AND GRANTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET – REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>Current Year</u> | | | <u>Prior</u> |
|------------------------------------|---------------------|------------------|--|------------------------------|
| | <u>Actual</u> | <u>Budget</u> | <u>Variance</u> <u>Over</u> <u>(Under)</u> | <u>Year</u> <u>Actual</u> |
| <u>Receipts</u> | | | | |
| Contributions/donations | \$ <u>47,526</u> | \$ <u>15,000</u> | \$ <u>32,526</u> | \$ <u>16,572</u> |
| <u>Expenditures</u> | | | | |
| Instruction | \$ 13,718 | \$ 10,000 | \$ (3,718) | \$ 1,500 |
| Support services | 8,759 | 25,930 | 17,171 | 5,726 |
| General Administration | <u>-</u> | <u>12,331</u> | <u>12,331</u> | <u>-</u> |
| Total Expenditures | \$ <u>22,477</u> | \$ <u>48,261</u> | \$ <u>25,784</u> | \$ <u>7,226</u> |
| Receipts Over (Under) Expenditures | \$ 25,049 | | | \$ 9,346 |
| Unencumbered Cash, Beginning | <u>28,959</u> | | | <u>19,613</u> |
| Unencumbered Cash, Ending | \$ <u>54,008</u> | | | \$ <u>28,959</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2
(Continued)

SCHEDULES OF RECEIPTS AND EXPENDITURES

REGULATORY BASIS

For the fiscal year ended June 30, 2014

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-18

CONTINGENCY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>6-30-14</u> | <u>6-30-13</u> |
|------------------------------------|------------------|------------------|
| <u>Receipts</u> | - | - |
| <u>Expenditures</u> | <u>-</u> | <u>-</u> |
| Receipts Over (Under) Expenditures | \$ - | \$ - |
| Unencumbered Cash, Beginning | <u>587,185</u> | <u>587,185</u> |
| Unencumbered Cash, Ending | <u>\$587,185</u> | <u>\$587,185</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-19

RURAL ED FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>6-30-14</u> | <u>6-30-13</u> |
|------------------------------------|----------------|----------------|
| <u>Receipts</u> | | |
| State aid | \$ 32,400 | \$ 31,045 |
| <u>Expenditures</u> | | |
| Instruction | <u>32,400</u> | <u>31,045</u> |
| Receipts Over (Under) Expenditures | - | - |
| Unencumbered Cash, Beginning | <u>-</u> | <u>-</u> |
| Unencumbered Cash, Ending | <u>-</u> | <u>-</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-20

TITLE I LOW INCOME FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>6-30-14</u> | <u>6-30-13</u> |
|------------------------------------|------------------|------------------|
| <u>Receipts</u> | | |
| Federal aid | <u>\$116,725</u> | <u>\$119,888</u> |
| <u>Expenditures</u> | | |
| Instruction | \$112,102 | \$117,247 |
| General administration | <u>4,623</u> | <u>2,641</u> |
| Total Expenditures | <u>\$116,725</u> | <u>\$119,888</u> |
| Receipts Over (Under) Expenditures | - | - |
| Unencumbered Cash, Beginning | <u>-</u> | <u>-</u> |
| Unencumbered Cash, Ending | <u>-</u> | <u>-</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-21

TITLE I MIGRANT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>6-30-14</u> | <u>6-30-13</u> |
|------------------------------------|----------------|----------------|
| <u>Receipts</u> | | |
| Federal aid | \$ 60,000 | \$ 98,000 |
| <u>Expenditures</u> | | |
| Instruction | <u>60,000</u> | <u>98,000</u> |
| Receipts Over (Under) Expenditures | - | - |
| Unencumbered Cash, Beginning | <u>-</u> | <u>-</u> |
| Unencumbered Cash, Ending | <u>-</u> | <u>-</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-22

TITLE I EVEN START FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>6-30-14</u> | <u>6-30-13</u> |
|------------------------------------|----------------|----------------|
| <u>Receipts</u> | | |
| Federal aid | \$ 52,000 | \$ 62,240 |
| <u>Expenditures</u> | | |
| Instruction | <u>52,000</u> | <u>62,240</u> |
| Receipts Over (Under) Expenditures | - | - |
| Unencumbered Cash, Beginning | <u>-</u> | <u>-</u> |
| Unencumbered Cash, Ending | <u>-</u> | <u>-</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-23

TITLE II IMPROVING TEACHER QUALITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>6-30-14</u> | <u>6-30-13</u> |
|------------------------------------|----------------|----------------|
| <u>Receipts</u> | | |
| Federal aid | \$ 21,112 | \$ 22,381 |
| <u>Expenditures</u> | | |
| Instruction | <u>21,112</u> | <u>22,381</u> |
| Receipts Over (Under) Expenditures | - | - |
| Unencumbered Cash, Beginning | <u>-</u> | <u>-</u> |
| Unencumbered Cash, Ending | <u>-</u> | <u>-</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-24

YOUTH FRIENDS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>6-30-14</u> | <u>6-30-13</u> |
|------------------------------------|-----------------|-----------------|
| <u>Receipts</u> | - | - |
| <u>Expenditures</u> | <u>-</u> | <u>-</u> |
| Receipts Over (Under) Expenditures | \$ - | \$ - |
| Unencumbered Cash, Beginning | <u>4,302</u> | <u>4,302</u> |
| Unencumbered Cash, Ending | <u>\$ 4,302</u> | <u>\$ 4,302</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-25

CCLC GRANT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>6-30-14</u> | <u>6-30-13</u> |
|------------------------------------|----------------|-------------------|
| <u>Receipts</u> | | |
| Tuition fees | \$ 9,325 | \$ - |
| Federal aid | <u>91,124</u> | <u>81,075</u> |
| Total Receipts | \$100,449 | \$ 81,075 |
| <u>Expenditures</u> | | |
| Instruction | <u>93,191</u> | <u>92,315</u> |
| Receipts Over (Under) Expenditures | \$ 7,258 | \$ (11,240) |
| Unencumbered Cash, Beginning | <u>(7,258)</u> | <u>3,982</u> |
| Unencumbered Cash, Ending | <u>-</u> | <u>\$ (7,258)</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 2-26

MIGRANT SUMMER SERVICES GRANT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the fiscal year ended June 30, 2014
(with comparative actual totals for the prior year ended June 30, 2013)

| | <u>6-30-14</u> | <u>6-30-13</u> |
|------------------------------------|-------------------|-----------------|
| <u>Receipts</u> | | |
| Federal aid | \$ 9,875 | \$ 15,237 |
| <u>Expenditures</u> | | |
| Instruction | <u>15,395</u> | <u>14,611</u> |
| Receipts Over (Under) Expenditures | \$ (5,520) | \$ 626 |
| Unencumbered Cash, Beginning | <u>(692)</u> | <u>(1,318)</u> |
| Unencumbered Cash, Ending | \$ <u>(6,212)</u> | \$ <u>(692)</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 3

AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For the fiscal year ended June 30, 2014

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 3

AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the fiscal year ended June 30, 2014

| <u>Funds</u> | <u>Beginning</u> <u>Cash</u> <u>Balance</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Ending</u> <u>Cash</u> <u>Balance</u> |
|------------------------|---|------------------|----------------------|--|
| High School: | | | | |
| Student Council | \$ 3,720 | \$ 11,198 | \$ 11,292 | \$ 3,626 |
| Cheerleaders | 4,698 | 38,992 | 38,244 | 5,446 |
| National Honor Society | 1,644 | - | 244 | 1,400 |
| Softball | 355 | - | - | 355 |
| Girls Basketball | 189 | 890 | 1,078 | 1 |
| Boys Basketball | 180 | - | - | 180 |
| Student Council Pink | 5,003 | 4,594 | 3,135 | 6,462 |
| Cross Country | - | 2,794 | 537 | 2,257 |
| Volleyball | 533 | 3,196 | 3,729 | - |
| Golf | 390 | - | - | 390 |
| Baseball | 983 | 1,187 | 1,971 | 199 |
| Class of 2013 | 642 | - | 81 | 561 |
| Class of 2014 | 4,143 | 85 | 1,346 | 2,882 |
| Class of 2015 | 4,796 | 16,225 | 18,615 | 2,406 |
| Class of 2016 | 1,194 | 3,832 | 2,491 | 2,535 |
| Class of 2017 | - | 1,473 | 282 | 1,191 |
| Senior gifts | 2,026 | - | - | 2,026 |
| E Club | 1,930 | 3,335 | 4,033 | 1,232 |
| Band | 3,661 | 743 | 156 | 4,248 |
| Curtain Callers | 12,563 | 4,931 | 1,759 | 15,735 |
| Scholars Bowl | 1,226 | - | - | 1,226 |
| Lunch | - | 7,939 | 7,939 | - |
| Sales tax | - | 4,880 | 4,880 | - |
| Sub-total High School | <u>\$ 49,876</u> | <u>\$106,294</u> | <u>\$101,812</u> | <u>\$ 54,358</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 3
(Continued)

AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For the fiscal year ended June 30, 2014

| <u>Funds</u> | <u>Beginning Cash Balance</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Ending Cash Balance</u> |
|-----------------------------|---------------------------------------|------------------|----------------------|------------------------------------|
| Middle School: | | | | |
| Student Council | \$ 2,002 | \$ 24,347 | \$ 24,913 | \$ 1,436 |
| Cheerleaders | 303 | 7,375 | 4,133 | 3,545 |
| Concession stand | 1,465 | 5,796 | 6,702 | 559 |
| Activities | 739 | 4,341 | 4,750 | 330 |
| Lunch | - | 30,882 | 30,882 | - |
| Sales tax | - | 314 | 314 | - |
| Sub-total Middle School | <u>\$ 4,509</u> | <u>\$ 73,055</u> | <u>\$ 71,694</u> | <u>\$ 5,870</u> |
| Elementary School: | | | | |
| Book Club | \$ 376 | \$ 3,230 | \$ 3,359 | \$ 247 |
| G S Teachers | 918 | 155 | 433 | 640 |
| Memorial Fund | 73 | - | - | 73 |
| Community Service | 617 | 409 | - | 1,026 |
| Student Fundraising | 1,277 | - | - | 1,277 |
| Children's Theater | - | 1,500 | 1,500 | - |
| Guided Reading | 102 | - | - | 102 |
| Lunch | - | 32,080 | 32,080 | - |
| Sub-total Elementary School | <u>\$ 3,363</u> | <u>\$ 37,374</u> | <u>\$ 37,372</u> | <u>\$ 3,365</u> |
| Total Agency Funds | <u>\$ 57,748</u> | <u>\$216,723</u> | <u>\$210,878</u> | <u>\$ 63,593</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 4

DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES AND
UNENCUMBERED CASH – REGULATORY BASIS
For the fiscal year ended June 30, 2014

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 4

DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH – REGULATORY BASIS
For the fiscal year ended June 30, 2014

| <u>Funds</u> | <u>Beginning</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u> | <u>Receipts</u> | <u>Expenditures</u> | <u>Ending</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u> |
|-------------------------------|--|-------------------|---------------------|---|
| Gate Receipts: | | | | |
| Athletics – High School | \$ <u>22,380</u> | \$ <u>58,520</u> | \$ <u>61,629</u> | \$ <u>19,271</u> |
| School Projects: | | | | |
| High School: | | | | |
| General Club | \$ 4,465 | \$ 2,874 | \$ 3,940 | \$ 3,399 |
| English | 710 | - | - | 710 |
| FFA | 10,102 | 42,241 | 36,332 | 16,011 |
| Shop | 77 | 42 | - | 119 |
| Home Economics Club | 427 | 21,564 | 21,925 | 66 |
| Art | 1,743 | 1,318 | 642 | 2,419 |
| Music | 1,930 | 1,752 | 1,721 | 1,961 |
| Key Club | 3,183 | 10,615 | 10,619 | 3,179 |
| Yearbook | 14,599 | 10,250 | 7,693 | 17,156 |
| Library | 334 | 162 | 128 | 368 |
| PRA Activity | 2,394 | - | 294 | 2,100 |
| Business | 953 | 120 | - | 1,073 |
| School Climate | 70 | - | - | 70 |
| Special Education | 328 | - | 35 | 293 |
| Middle School: | | | | |
| General Fund | 1,149 | 3,732 | 4,142 | 739 |
| Elementary School: | | | | |
| General Fund | <u>2,345</u> | <u>2,256</u> | <u>1,389</u> | <u>3,212</u> |
| Subtotal School Projects | \$ <u>44,809</u> | \$ <u>96,926</u> | \$ <u>88,860</u> | \$ <u>52,875</u> |
| Total District Activity Funds | \$ <u>67,189</u> | \$ <u>155,446</u> | \$ <u>150,489</u> | \$ <u>72,146</u> |

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Education
Unified School District No. 218
Elkhart, Kansas 67950

Report on Compliance for Each Major Federal Program

We have audited Unified School District No. 218's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Unified School District No. 218's major federal programs for the fiscal year ended June 30, 2014. Unified School District No. 218's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Unified School District No. 218's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with the *Kansas Municipal Audit and Accounting Guide*; auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Unified School District No. 218's compliance.

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Opinion on Each Major Federal Program

In our opinion, Unified School District No. 218 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Unified School District No. 218 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 218's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Hay•Rice & Associates, Chartered

September 12, 2014

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

Schedule 5

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended June 30, 2014

| <u>Federal Grantor/Pass Through Grantor</u> <u>Program Title</u> | <u>Federal</u> <u>CFDA</u> <u>Number</u> | <u>Expenditures</u> |
|---|--|---------------------|
| U. S. Department of Education – Pass Through Kansas Department of Education: | | |
| Title I Low Income | 84.010 | \$116,725 |
| Title I Migrant Education | 84.011 | 121,875 |
| Title II Improving Teacher Quality | 84.367 | 21,112 |
| Title IV 21 st Century | 84.287 | <u>91,124</u> |
| Total Department of Education | | <u>\$350,836</u> |
| U. S. Department of Agriculture – Pass Through Kansas Department of Education: | | |
| Child Nutrition Cluster: | | |
| School Breakfast | 10.553 | \$ 21,827 |
| School Lunch | 10.555 | 103,561 |
| Cash for Commodities | 10.555 | 11,588 |
| Summer Food Service | | <u>4,518</u> |
| Total Child Nutrition Cluster | | \$141,494 |
| Team Nutrition Grant | 10.574 | 615 |
| Fresh Fruits and Vegetables | 10.582 | <u>9,591</u> |
| Total Department of Agriculture | | <u>\$151,700</u> |
| Total Federal Awards Expended | | <u>\$502,536</u> |

UNIFIED SCHOOL DISTRICT NO. 218
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NOTE TO SCHEDULE 5
June 30, 2014

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 218 under programs of the federal government for the fiscal year ended June 30, 2014. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Unified School District No. 218, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Unified School District No. 218.

Expenditures are prepared on a cash disbursement basis adjusted for beginning and ending payables and encumbrances.

UNIFIED SCHOOL DISTRICT NO. 218
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Schedule 6

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2014

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the regulatory basis financial statements of Unified School District No. 218.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Unified School District No. 218 were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal awards are reported in the Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Unified School District No. 218 expresses an unqualified opinion.
6. There were no audit findings relating to major programs that were required to be reported in accordance with Section 510(a) of OMB Circular A-133 in this schedule.
7. The programs tested as major programs include:

Title I Migrant Education CFDA #84.011
Food Service Cluster CFDA #10.553, 10.555
8. The threshold for determining type A and B programs was:

Type A – the larger of \$300,000 or 3% of total federal awards expended

Type B – any programs that do not meet type A criteria specified above
9. Unified School District No. 218 was not determined to be a low-risk auditee.

UNIFIED SCHOOL DISTRICT NO. 218
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Schedule 6
(Continued)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2014
(Continued)

B. FINDINGS – FINANCIAL STATEMENTS

None.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT

None.

UNIFIED SCHOOL DISTRICT NO. 218
Elkhart, Kansas

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the fiscal year ended June 30, 2014

There were no audit findings relating to federal award programs in the prior years audit.